

**STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC DEVELOPMENT
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of Financial and Insurance Services

**Office of Financial and Insurance
Services,**

Petitioner,

v

**Case No. 03-354-L
Docket No. 2003-580**

**Arthur Taylor, Katz Diversified
Consultant Services,**

Respondents.

For the Petitioner:

**Laurence S. Wood (P34745)
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For the Respondent:

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**Issued and entered
this 24th day of August 2004
by John R. Schoonmaker
Special Deputy**

FINAL DECISION

The Administrative Law Judge issued a Proposal for Decision in which he found that Respondent Taylor committed six acts of fraud related to his brokering mortgages. He

recommended that the Commissioner censure and fine Respondent Taylor, but not revoke his licenses. Neither party filed exceptions.

Except as noted below, the findings of fact in Proposal for Decision are supported by a preponderance of the evidence and the conclusions of law are supported by reasoned opinion. The Proposal for Decision is attached, adopted, and incorporated by reference into this Final Decision except for the recommendation of a fine, rather than revocation of licenses, and the discussion supporting that recommendation.

The analysis as to sanctions does not give adequate weight to the severity of the fraud. There were multiple acts of fraud. The fraud related directly to Respondent Taylor's conduct as a mortgage broker. The fraud harmed consumers and created substantial financial losses to a title insurance.

This was not an isolated incidence of fraud. Respondent Taylor backdated six separate quitclaim deeds. He used this false information in securing six mortgages for the purchase of six homes. He accomplished this through use of the U.S. mail, which resulted in his conviction on six counts of mail fraud.

Respondent Taylor's fraud went to the core of his professional licensure as a mortgage broker. By artifice, he arranged six separate mortgages that lead to the fraudulent disbursement of \$204,057 [Petitioner's Exhibit 1, page 5].

Six home purchasers had to wait years for this matter to be resolved and to receive good title to their properties. XXXXXXXXXXXX suffered losses and expenses of at least \$95,335.

Respondent Taylor's license as a mortgage broker and his license as an insurance producer should be revoked. Respondent Katz Diversified Consultant Services is not a licensee

of this agency. In light of the revocations and Respondent Taylor's having made restitution to the insurer, no further penalties are necessary.

Therefore, it is ORDERED that:

1. Respondent Taylor's license as a mortgage broker is revoked.
2. Respondent Taylor's license as an insurance producer is revoked.